

Please distribute the attached to the Committee Members, Public and Staff concerning item 3 A)

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CHARTER REVIEW COMMITTEE MEETING OF THURSDAY, December 3, 2015 at 2:30 P.M. at 202 C Street, San Diego. Agenda Item 3 A) § 77A Report of the IBA Number 15-10: "Suggestions to Consider Amending Charter Section 77a to Allow Funds to Additionally Be Used for Capital Maintenance in Balboa Park" **77a SPECIAL TAX - IS IT PAST DUE FOR RECONSIDERATION?**

**WRITTEN TESTIMONY SUBMITTED:** Prior to the hearing, The presenter has submitted: 1.) A copy of the actual language of City Charter Section 77a; 2.) A copy of the 2013 federal Internal Revenue Service 990 Tax form, as submitted by Zoo Global (aka San Diego Zoological Society) <http://tinyurl.com/mzc3zen>; City Auditor's, May 2013, Performance Audit of the Zoological Exhibits Fund <http://tinyurl.com/ptkgcoq>; the Video of the Council Meeting of July 29, 2013 Items 150 Performance Audit of the Zoological Exhibits Fund and S401 Presentation of Zoo Fund Audit <http://tinyurl.com/oz6emh9>; the 2016 Mayor's and Financial Management's Proposed budgets <http://tinyurl.com/o23l6ou> & <http://tinyurl.com/http-www-sandiego-gov-fm-pro>; and the Settlement Order No. R-9-20014-0017 between the Regional Water Quality Board and the City of San Diego <http://tinyurl.com/p393r29>. I have not been able to locate or submit the actual "CONTRACT" for expenditure of the 77a funds; the "LEASE" for the lands in Balboa Park, or the followup reporting and audit of the 2013 77a funds expenditures, as promised to Council.

**OPENING REMARKS:** I want to thank the City Auditor, IBA, Council Committee, and Parks & Recreation staffs and the Zoo employees for their contribution to the City of San Diego and this discussion. The Committee members are commended for their efforts and service to San Diego and its environment. SEE [http://granicus.sandiego.gov/MediaPlayer.php?view\\_id=25&clip\\_id=6387](http://granicus.sandiego.gov/MediaPlayer.php?view_id=25&clip_id=6387)

**REQUESTS:** I request that the Committee will consider my comments and then request that the City Attorney return to the Committee with copies of the missing "77a Tax Use CONTRACT" and the current LEASE for Balboa Park lands. Further, I request that the staff and the City Attorney specifically address these questions: **A.)** Within the meaning of Charter Section 77a, what are eligible "Zoological exhibits" and "Zoological gardens"?; **B.)** Within the meaning of the Charter, what maintenance can the City perform and what maintenance can be contracted for?; **C.)** Within the meaning of the Charter, is the intention that Zoo Global exclusively receive these funds or could some other organization or exhibit receive all or a portion of these funds?; **D.)** Given the change in Mission of Zoo Global from a home town zoological exhibitor to a worldwide species saver does it still qualify for contract tax funding, under the three very specific requirements of paragraph 2 of Charter section 77a (See: Organization's mission or most significant activities, on Part 1, of Zoo Global 2013 990 tax form on the reverse side)?; and finally, **E.)** Are recipients of Charter section 77a or tenants of Balboa Park leased lands obligated to follow the most current City regulations and the Municipal Code for Drought Water Reduction; Storm Water Compliance; Climate Action Plan compliance and related policies and rules? Are there any "grandfathered" exemptions to compliance?

**77a SPECIAL TAX - IS IT PAST DUE FOR RECONSIDERATION, LIKE THE PEOPLES ORDINANCE?** Four generations ago, San Diego had a crisis concerning the maintenance of a small menagerie of animals; so the voters approved a small tax to maintain zoological gardens and exhibits in Balboa Park. Later they provided for the option for local organizations, which met specific criteria, to maintain the zoological garden exhibits in the park. Small tax support made a better fuller public park.

Today that crisis has past, the local organization is now a Global actor, and the tax is a nearly \$12 million annual burden on every San Diego household, business, and visitor. San Diego has other tourist attractions also draw millions of visitors, pay the City large rents and taxes, and perform many of the same functions of conservation, animal care, and education. Zoo Global now has huge cash reserves and makes millions.

Today, the City has new challenges that require its attention and funding. The City is under a Billion Dollar corrective order to Clean up its storm water pollution and recently had to pay nearly \$1 Million dollars in settlement fines to the Regional Water Quality Board. California and the City are in drought conditions and under an order to conserve water. The State is requiring that the City to develop and implement a **CLIMATE ACTION PLAN**, to reduce carbon loads caused by tourist travel and road trips. Balboa Park has developed into a major asset and attraction, with many gardens and zoological exhibits. The City lacks the resources to maintain Balboa Park and meet its maintenance needs

for cleaning up Storm Water, Saving and Re-Using Water, and to fully mitigate the Climate Change impacts, caused by millions of annual visitors.

Given that the ZOO GLOBAL operations are among the City's **10 largest of water and sewer users, Zoo Global has the one of the 10 largest storm water parking lots polluting San Diego Bay, and Zoo Global is one of the 10 largest travel attractors and carbon generators.** Sustainable maintenance of these exhibits is the current challenge and crisis and should be part of the annual 77a Contract for use of these tax funds. The millions of 77a tax dollars could help to sustainably maintain these exhibits, under the rules. SEE

REVERSE SIDE

PAGE 1 OF 2

Form **990**  
 Department of the Treasury  
 Internal Revenue Service

## Return of Organization Exempt From Income Tax

OMB No 1545-0047

**2013**

**Open to Public Inspection**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- ▶ Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.  
 ▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

**A For the 2013 calendar year, or tax year beginning 01-01-2013, 2013, and ending 12-31-2013**

**B** Check if applicable:

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

**C** Name of organization

ZOOLOGICAL SOCIETY OF SAN DIEGO

Doing Business As

SAN DIEGO ZOO GLOBAL

Number and street (or P.O. box if mail is not delivered to street address)

POST OFFICE BOX 120551

Suite

City or town, state or province, country, and ZIP or foreign postal code

SAN DIEGO, CA 921120551

**F** Name and address of principal officer

DOUGLAS MYERS CEO

POST OFFICE BOX 120551

SAN DIEGO, CA 921120551

**D** Employer identification number

95-1648219

**E** Telephone number

(619) 231-1515

**G** Gross receipts \$ 340,911,982

**H(a)** Is this a group return for subordinates?

☐ Yes ☒ No

**H(b)** Are all subordinates included?

☐ Yes ☒ No

If "No," attach a list (see instructions)

**H(c)** Group exemption number ▶

**I** Tax-exempt status ☒ 501(c)(3) ☐ 501(c) ( ) (insert no ) ☐ 4947(a)(1) or ☐ 527

**J** Website: ▶ WWW.SANDIEGOZOO.ORG

**K** Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

**L** Year of formation 1916

**M** State of legal domicile CA

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: SAVING SPECIES WORLDWIDE BY UNITING OUR EXPERTISE IN ANIMAL CARE AND CONSERVATION SCIENCE WITH OUR DEDICATION TO INSPIRING PASSION FOR NATURE		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	12
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	12
	<b>5</b> Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>	3,029
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	2,000
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	7,322,312
	<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	61,417,545
	<b>9</b> Program service revenue (Part VIII, line 2g)	Current Year	61,693,783
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)		149,360,369
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		9,034,961
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		12,041,520
			17,992,493
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)		237,805,368
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		259,730,628
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		1,070,203
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		1,376,792
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 5,995,809		0
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		121,183,875
	<b>18</b> Total expenses—add lines 13-17 (must equal Part IX, column (A), line 25)		273,294
	<b>19</b> Revenue less expenses—subtract line 18 from line 12		89,844,807
<b>Net Assets or Fund Balances</b>			100,881,491
			212,300,997
			229,979,506
			29,751,122
	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year	403,950,604
	<b>21</b> Total liabilities (Part X, line 26)	End of Year	451,433,948
	<b>22</b> Net assets or fund balances—subtract line 21 from line 20		170,466,267
			130,442,831
			233,484,337
			320,991,117

**Part II Signature Block**

## CHARTER OF THE CITY OF SAN DIEGO Section 77a

### Section 77a: Provisions for Zoological Exhibits

1. The Council shall levy annually, in addition to all other taxes provided for in this Charter, not less than two cents (\$0.02) on each one hundred dollars (\$100.00) of the assessed valuation of the real and personal property within the City, to be used exclusively for the maintenance in Balboa Park of zoological exhibits. [Addition voted 11-06-1934; effective 01-21-1935 ]
2. Whenever the Council deems it to be for the best interests of the City, the Council may enter into a contract, upon such terms and conditions as the Council may prescribe, for the maintenance in Balboa Park of zoological exhibits, with any organization formed primarily for the purposes of maintaining zoological gardens and zoological exhibits and conducting general zoological work; and may make available to such organization the proceeds of the special tax levy provided for in this section. [Amendment voted 04-22-1941; effective 05-08-1941 ]

(Addition voted 11-06-1934; effective 01-21-1935.) (Amendment voted 04-22-1941; effective 05-08-1941.)

Prior Language SEE CHARTER HISTORY

All the best  
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